

**STATE OF NORTH DAKOTA**  
**BEFORE THE COMMISSIONER OF INSURANCE**

**In the Matter of** )  
 )  
**Noridian Mutual Insurance Company,** )  
**FEIN 45-0173185,** )  
 )  
**Respondent.** )

**CONSENT ORDER**  
**FILE NO. CO-06-186**

Commissioner of Insurance Jim Poolman (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D. Cent. Code Title 26.1.
2. Noridian Mutual Insurance Company, FEIN 45-0173185 (hereinafter "Respondent"), is a nonprofit mutual insurance company organized and governed by the laws of North Dakota.
3. In March 2006, Respondent marketed a Medicare supplement insurance policy to North Dakota consumers. The policy allowed enrollment with no medical requirements. Respondent did not file for approval with the Commissioner the Medicare supplement insurance policy being marketed. A copy of the advertisement marketing this Medicare supplement insurance policy published in The Bismarck Tribune on or about March 12, 2006, is attached as Exhibit 1.
4. Respondent accepted approximately 49 applications for the Medicare supplement insurance policy described in paragraph 3 above.
5. N.D. Admin. Code § 45-06-01.1-12 provides:

1. An issuer may not deliver or issue for delivery a policy or certificate to a resident of this state unless the policy form or certificate form has been filed with and approved by the commissioner in accordance with filing requirements and procedures prescribed by the commissioner.

...

4.
  - a. Except as provided in subdivision b of this subsection, an issuer may not file for approval more than one form of a policy or certificate of each type for each standard medicare supplement benefit plan.
  - b. An issuer may offer, with the approval of the commissioner, up to four additional policy forms or certificate forms of the same type for the same standard medicare supplement benefit plan, one for each of the following cases:

...

- (3) The addition of either guaranteed issue or underwritten coverage.

6. N.D. Cent. Code § 26.1-04-03(2) provides:

False information and advertising generally. Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio station, or in any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to the business of insurance or with respect to any person in the conduct of that person's insurance business, which is untrue, deceptive, or misleading.

7. Respondent did not file the policy form with the Commissioner for approval and did not have approval to market this Medicare supplement insurance policy form when it advertised the coverage and accepted the applications.

8. Respondent's act of marketing this Medicare supplement insurance policy without approval by the Commissioner violates N.D. Admin. Code § 45-06-01.1-12 and N.D. Cent. Code § 26.1-04-03(2).

9. Respondent may be subjected to an administrative penalty pursuant to N.D. Cent. Code §§ 26.1-01-03.3 and 26.1-04-13.

10. Respondent has agreed to an informal disposition of this matter, without a hearing, as provided under N.D. Cent. Code § 28-32-22.

11. For purposes of resolving this matter, without further administrative proceedings, Respondent and the Commissioner have agreed to enter into the following Order.

12. The Commissioner recognizes the Respondent's authority to adopt underwriting guidelines for its policies and by this Consent Order does not intend to infringe on or challenge Respondent's authority to underwrite policies.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent is assessed an administrative penalty in the amount of \$2,000 which shall be paid within 15 days of the execution of this Order.

2. The use of this Consent Order for competitive purposes by an insurance producer or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

DATED at Bismarck, North Dakota, this 3<sup>rd</sup> day of August, 2006.

  
Jim Poolman  
Commissioner of Insurance  
State of North Dakota

## CONSENT TO ENTRY OF ORDER


The undersigned, **Michael B. Unhjem, on behalf of Noridian Mutual Insurance Company**, states that he has read the foregoing Consent Order, that he knows and fully understands its contents and effect; that he has been advised of his right to be represented by legal counsel, his right to a hearing in this matter, his right to present evidence and arguments to the Commissioner, and his right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order he waives those rights in their entirety, and consents to entry of this Order by the Commissioner of Insurance. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

DATED this 25<sup>th</sup> day of August, 2006.

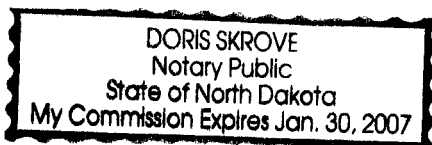
Noridian Mutual Insurance Company

  
Michael B. Unhjem  
President and CEO

Subscribed and sworn to before me this 25 day of August, 2006.

  
Notary Public

My commission expires: 1/30/07





## Special Enrollment Opportunity for North Dakota Seniors

If you're a senior aged 65 years or over, get the Medicare supplement coverage you need from Blue Cross Blue Shield of North Dakota. Enroll now with **no medical requirements** and **no waiting periods!**

**GREAT NEWS!** If you're on Medicare and aged 65 years or over and not covered by a Medicare supplement **or** if you're aged 65 years or over and carrying a Medicare supplement from another company, take advantage of this limited-time opportunity to enroll in North Dakota's most popular health coverage for seniors: a Blue Cross Blue Shield Medicare Supplement.

Enroll now and you won't have to meet any medical requirements or incur any waiting periods to receive benefits. Choose from Plans A, C or F.

A friendly, experienced Blue Cross Blue Shield benefits consultant will help you select the right plan at a very competitive rate! But don't wait. This special offer ends May 15, 2006.

**You'll enjoy these special Blue advantages:**

- Accepted nationwide
- Recognized worldwide
- Eight convenient North Dakota offices
- Face-to-face service
- Toll-free and online service
- Guaranteed renewable coverage

**For more information or to enroll, contact the  
Blue Cross Blue Shield benefits consultant nearest you:**



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